



**MANZ AG**

**CONFERENCE CALL 9M-RESULTS 2014**

**NOVEMBER 13, 2014 / DIETER MANZ**



**POINTING  
THE WAY:  
OUR IDEAS FOR  
THE FUTURE**

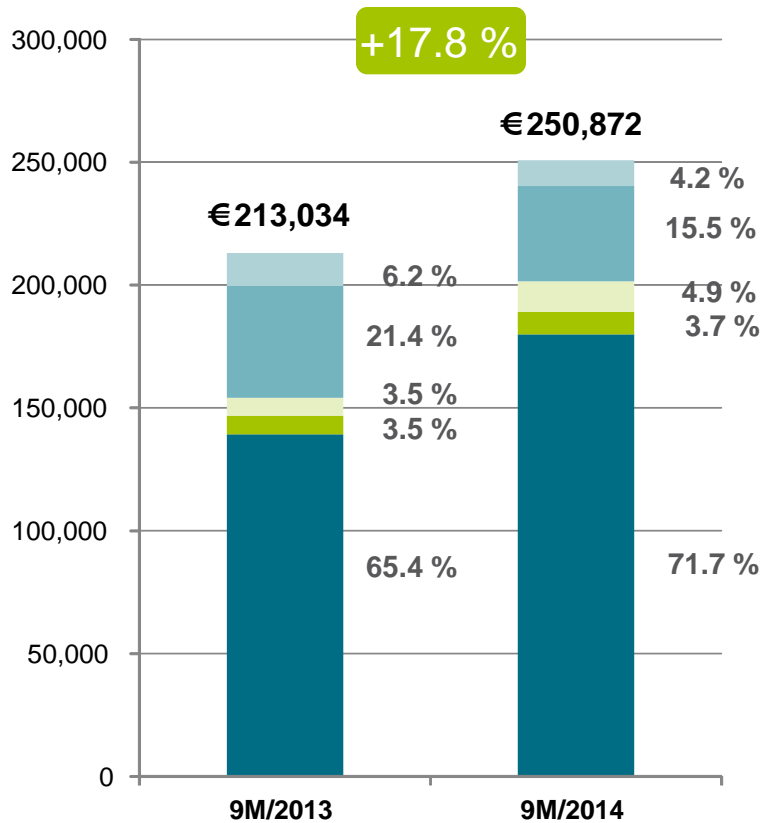
With its outstanding technological expertise, Manz AG is an important driver of innovation, helping to achieve breakthroughs in key technologies of our times such as displays and devices for global communication needs, sustainable power generation and e-mobility.



- Achievement of record-breaking 9-months revenues in company history
  - Revenues of EUR 250.9m
  - Double-digit growth rate of 17.8 % in revenues (YOY) and positive EBIT despite high investment in future technology solar
- August 2014: Major order in the double-digit million scale in the field of consumer electronics
  - Successful entry into the technology segment of assembly automation with an innovative assembly system
- New efficiency world record of 21.7 % on cell-level substantiates the technological advantage of CIGS thin-film technology
- Setup of a Li-Ion battery research center at the Tübingen site financed by customer
  - Active involvement of Manz in product development process
  - Order totaling EUR 6m

### Revenue by business units

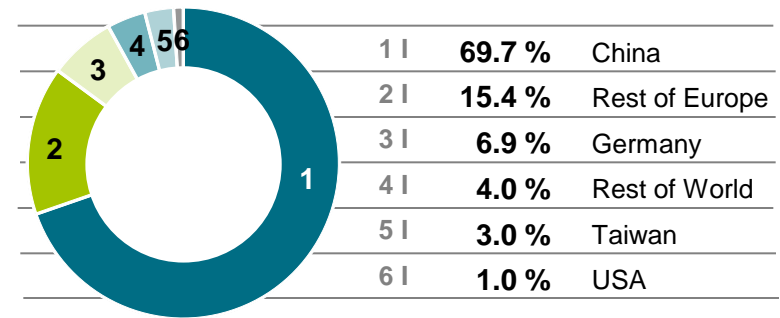
in EUR thousand



Display   Solar   Battery   PCB/OEM   Others

### Revenue by region

as of September 30, 2014

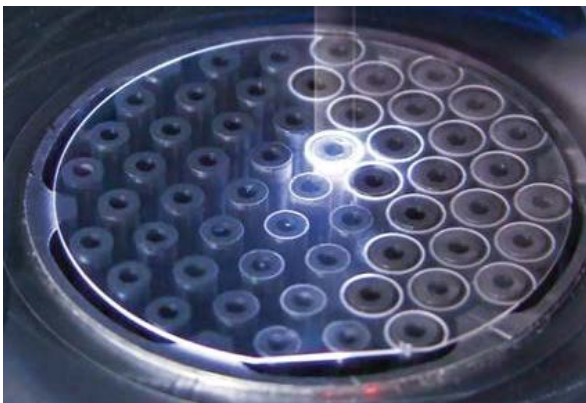


➔ **Display division accounts for largest share of revenues amounting to EUR 179.9m or 71.7 %**

➔ **Taiwan and China represent a 72.7 % share of total revenues**



● **Display: Main driver of revenues and earnings**



- Manz established as industry partner for development of innovative and efficient production solutions for smart phones and tablet PCs
  - Automation and printing of cover glasses
  - Laser cutting of sapphire and glass
  - Inspection systems for housing elements
  - Assembly systems, such as high-precision assembly of touchpads in notebooks
- Good order situation and excellent prospects for new and follow-up orders
  - Trend toward automated assembly in Asia offers high potential

● **Solar: Positive development in revenues and high upside potential**



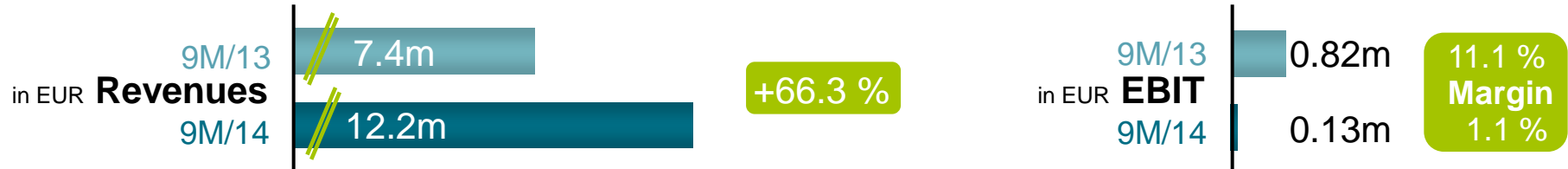
● **EBIT strongly burdened...**

- ...by depreciation on capitalized R&D (EUR 10.6m) and high investments in further development of new technology
- ...contractual termination of payments from Würth Solar (EUR 4.5m since beginning of 2014) as part of the takeover agreement for the site in Schwäbisch Hall



- Business unit Solar experiences upturn, although still at very low level
- New efficiency world record of 21.7% efficiency from exclusive research partner ZSW
  - Technological advantage of CIGS thin-film technology substantiated
- Business unit Solar has highest future potential of all our divisions
  - Solar investment is inevitable for long-term positive development of our company

- **Battery: Fastest-growing business unit due to enlarged product portfolio**



- Investment in R&D for entry in consumer electronics market and extraordinary expenses related to integration of Manz Italy had negative impact on EBIT
- Successful entry in consumer electronics market with fully integrated production line for Li-ion batteries
  - Development and construction under progress
- Manz is the only equipment manufacturer that covers all important production technologies for all Li-ion cell technologies
  - Enormous potential for follow-up orders in the field of consumer electronics in the short to medium term
  - Best conditions for lifting this segment to a new level of revenues

● OEM/PCB: Slight decline due to high capacity utilization in strategic business units



- Decline in revenues due to high capacity utilization by strategic business units
- OEM business still driven by strong demand of semiconductor industry
- Strengthening of OEM business and expansion to other industries as strategic target to further stabilize business model
- PCB business will be strengthened by numerous market launches of new products in late 2014

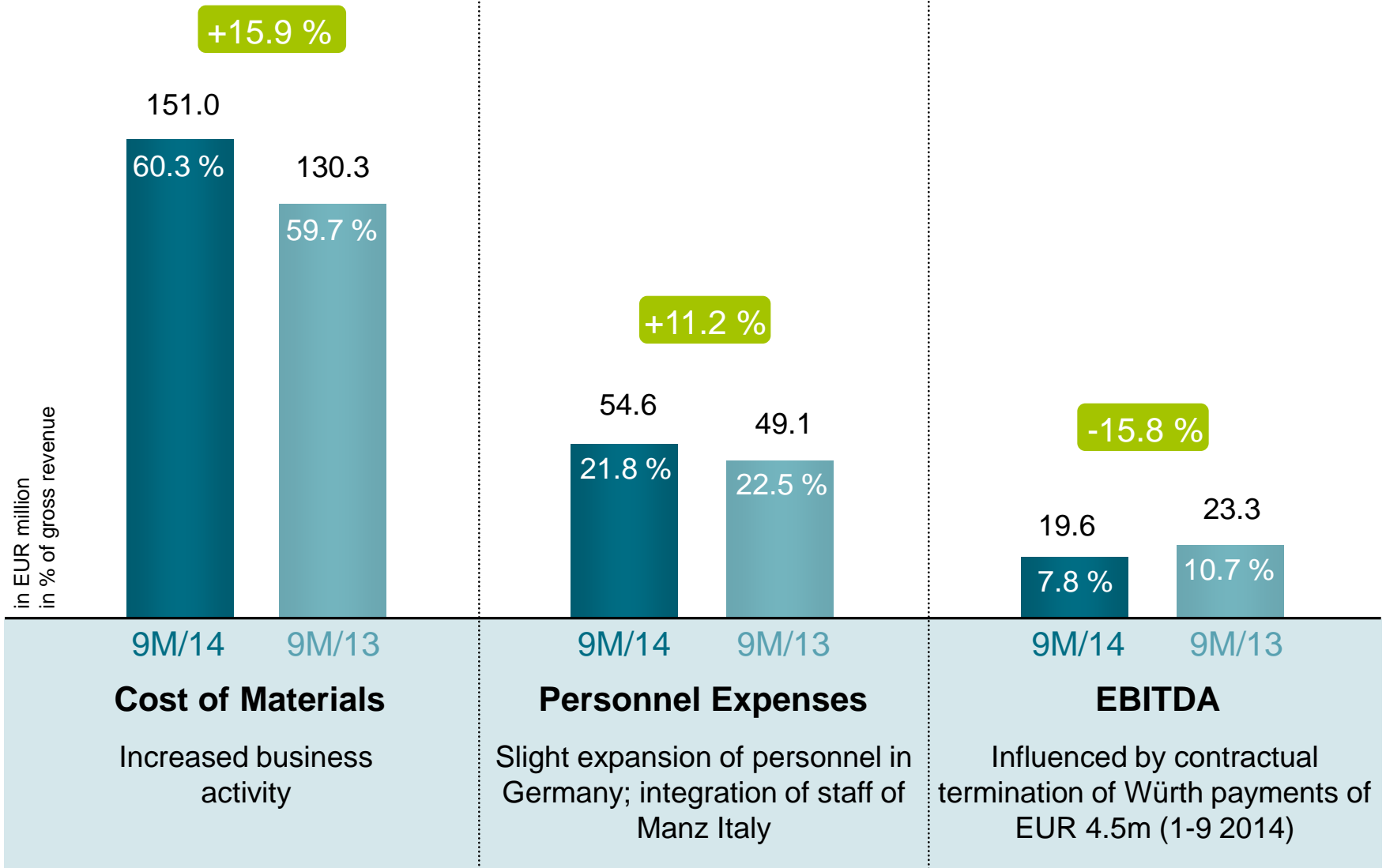


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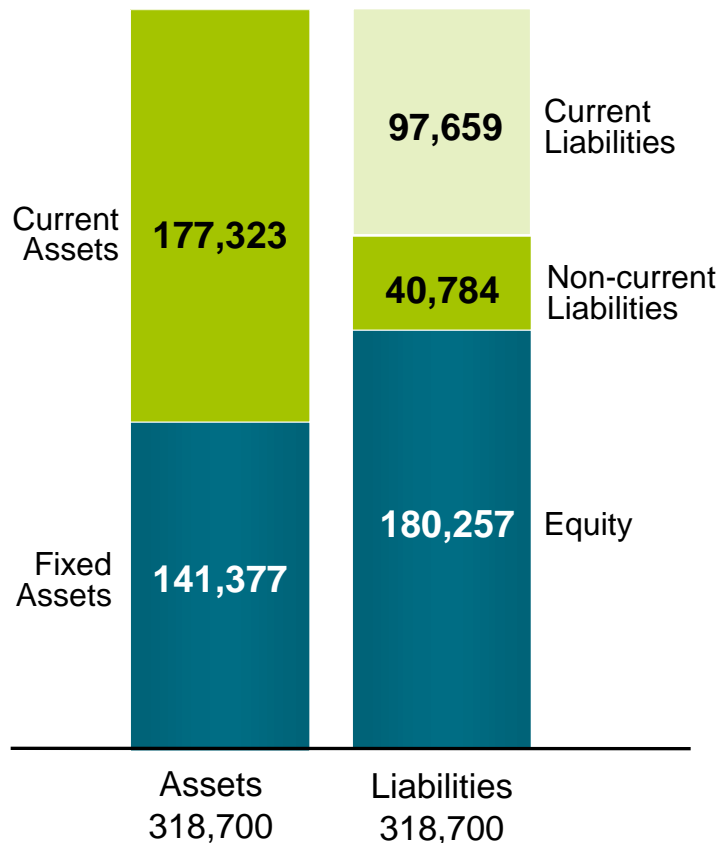
# FINANCIAL FIGURES

in TEUR	Jan.1 – Sep. 30 2014	Jan.1 – Sep. 30 2013
Revenues	250,872	213,034
Gross revenue	250,410	218,297
Other operating income	5,598	10,345
Costs/Expenses	-236,371	-205,328
EBITDA	19,637	23,314
Depreciation	-18,185	-18,108
EBIT	1,452	5,206

- Highest revenue ever achieved in first nine months  
 → Increase of revenues YOY by 17.8 %
- Gross revenue includes reduction of inventory of EUR -5.7m and capitalized R&D of EUR 5.3m
- Decreased other operating income due to contractual termination of EUR 4.5m payments from Würth Solar
- Costs of material and personnel expenses at a comparable ratio level YOY
- EBITDA influenced by missing payments from Würth Solar
- High depreciation on R&D of EUR 19.6m has negative impact on EBIT

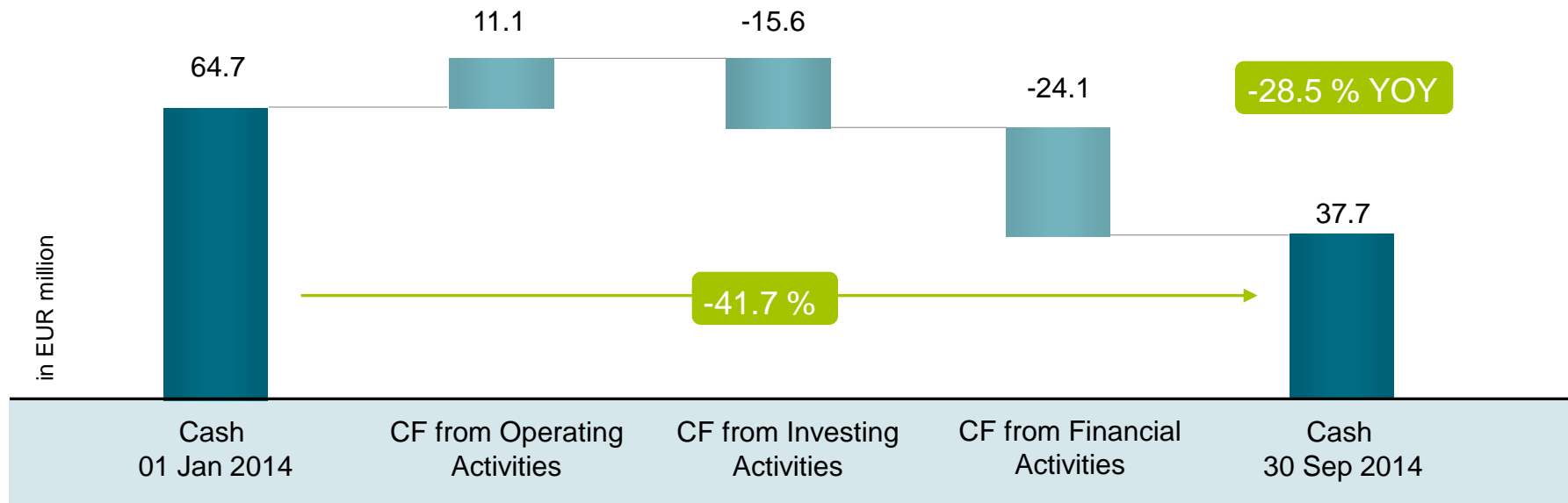


as of September 30, 2014  
in EUR thousand



	Definition	Sep. 30, 2014	Dec. 31, 2013	Change
<b>Equity Ratio</b>	$\frac{\text{equity}}{\text{total assets}}$	56.6 %	54.8 %	+1.8 pp
<b>Net Working Capital</b> (in EUR million)	current assets ./ liquid funds ./ non-interest-bearing current liabilities	56.8	51.7	9.9 %
<b>Net Debt</b> (in EUR million)	interest-bearing liabilities ./ liquid funds	1.6	0.4	+1.2

- Equity ratio with 57 % on strong level
- Strong business growth results in higher net working capital and higher net debt



- Operating cash flow influenced by increase in ...
  - Inventories and account receivables amounting to -23.7m (previous year: EUR -12.6m)
  - Accounts payables totaling EUR 16.5m (previous year: EUR 12.3m)
- Cash flow from investing activities comprises investment related to acquisition of Manz Italy and investment in R&D
- Cash flow from financing activities reflects repayment of loans amounting to EUR 31.6m and EUR 10m EIB loan (EIB loan is in total EUR 20m but only EUR 10m are drawn)

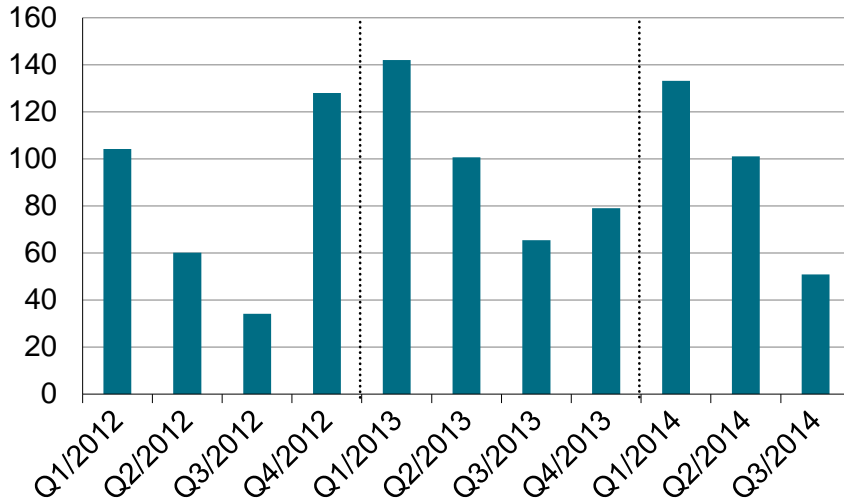


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OUTLOOK

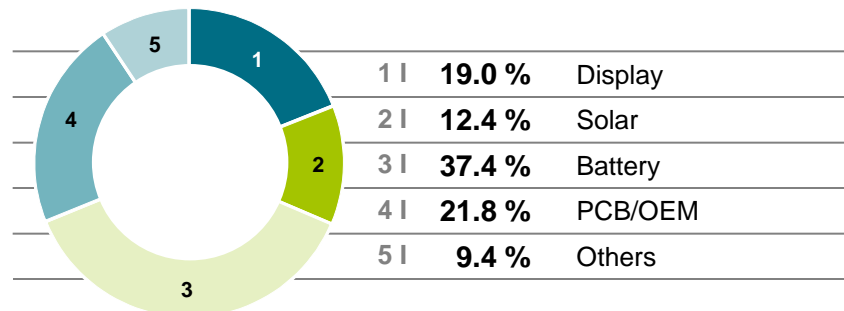
## Development of Order Backlog

in EUR million



## Order Backlog: EUR 50.9m

as of September 30, 2014



- Order backlog is within expectations and reflects cyclical growth of business
  - Balanced distribution of order backlog across divisions
  - Very positive development of business unit Battery
  - Very good prospects for new and follow-up orders in business unit Display
  - Positive development in Solar division due to stimulation of solar industry
  - Stable development of PCB/OEM segment



**Good perspectives for substantial increase of order backlog in Q4**



- Ongoing diversification in technology, industries, and regions
  - Focus on further expansion of excellent position as leading equipment supplier for consumer electronic and battery industry
- Good prospects for 2014 due to high growth potential in all strategic divisions
  - Slight slowdown of market dynamics in display industry will be compensated by production solutions for mobile devices
  - Recovery in solar industry has high upside potential and creates good conditions for a short-term sale of a CIGSfab
  - Positive momentum for Battery division by promising perspectives in the consumer electronics sector due to acquisition
  - Stable development of OEM/PCB segment
- Order backlog of EUR 50.9m confirms forecast for financial year 2014



**Revenues between EUR 280m and EUR 300m  
(without sale of CIGSfab) and positive EBIT expected**

THANKS

THANK YOU  
VERY MUCH FOR  
YOUR ATTENTION!

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**Stock Key Data and Shareholder Structure**

<b>ISIN</b>	DE000A0JQ5U3	
<b>Stock Market Segment</b>	Regulated Market (Prime Standard)	
<b>Capital Stock</b>	4,928,059	
<b>Opening Price</b>	19 EUR (Sep. 2006)	
<b>Shareholder Structure</b>	Dieter Manz Ulrike Manz Free Float	41.0 % 4.2 % 54.8 %